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October 24, 2008

Ms. Stephanie Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602

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OCT 29 2008
PUBLIC SERVICE
COMMISSION

RE: Equitable Gas Company
Case No. 2008-00400

Dear Ms. Stumbo:

In compliance with the Commission's Order at Case No. 2008-00400 entered October 23, 2008, Equitable Gas Company, hereby submits an original and four copies of One-Hundred Twenty-Fourth Revised Sheet No. 2 and One Hundred Sixteenth Revised Sheet No. 5 to its Kentucky Division Tariff.

Yours truly,

Robert M. Narkevic
Manager, Rates

Enclosures

EQUITABLE GAS COMPANY
225 NORTH SHORE DRIVE
PITTSBURGH, PA 15212-5861

ONE HUNDRED TWENTY-FOURTH REVISED SHEET NO. 2
CANCELING
ONE HUNDRED TWENTY-THIRD REVISED SHEET NO. 2
P.S.C.K.Y. NO. 1

RATE

Customer: Various

Expiration: See "Special Conditions"

Point of Delivery:

At connection along Kentucky West Virginia Gas Company's well connection and gathering system in Eastern Kentucky included in Equitable Gas Company's service area.

Rate:

Customer Service Charge: \$7.50

| | | | | | | |
|---------|------------------|---|--------------------------------|---|-------------------|-----|
| All Mcf | <u>Base Rate</u> | + | <u>Gas Cost Recovery Rate*</u> | = | <u>Total Rate</u> | (D) |
| | \$2.1322 | | \$14.8971 per MCF | | \$17.0293 | |

The minimum monthly bill shall be \$7.50.

*The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 4 and 5 of this tariff.

The following adjustment shall be made to the above rates:

- (1) Customer bills may also include gross receipts license taxes as authorized under the Kentucky Education Reform Act of 1990.

Gas delivered pursuant to this tariff is from pipelines owned and operated by Equitable Gas Company's supplier and all gas sold hereunder is made available by said supplier. Equitable shall have the right to abandon gas service to any customer served from any line which is no longer operated by its supplier for any reason whatsoever. All gas sold and delivered under this Tariff shall be delivered at the varying pressures of Equitable's supplier's pipeline, and it shall be the responsibility of the customer to supply, maintain, and operate the necessary regulator and related equipment for the customer's use.

Filed in compliance with the Commission's Order at Case No. 2008-00400 entered October 23, 2008.

(D) Indicates Decrease.

ISSUED: September 24, 2008

EFFECTIVE: November 1, 2008

D. L. Frutchey
CHIEF REGULATORY OFFICER, EQUITABLE DISTRIBUTION

PURCHASED GAS ADJUSTMENT CLAUSE
(Continued)

Definitions

For purposes of this tariff:

- a. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased gas volumes during the twelve-month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- b. "GCR" means the quarterly updated gas cost recovery rate and is the sum of the expected gas cost component plus the supplier refund adjustment plus the actual cost adjustment plus the balancing adjustment; i.e., $GCR = EGC + RA + ACA + BA$.
- c. "Calendar Quarters" means each of the four three-month periods of (1) February, March, and April; (2) May, June, and July; (3) August, September, and October; (4) November, December, and January.
- d. "Reporting Period" means the three-month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas cost recovery rates; i.e., the calendar quarters ended April 30, July 31, October 31, and January 31 of each year.

Gas Cost Recovery Rate (GCR):

| | | |
|--------------------------------------|----------|-----|
| Expected Gas Supply Cost (EGC) | 13.6353 | (D) |
| Refund Adjustment (RA) | 0.0000 | |
| Actual Cost Adjustment (ACA) | 1.3002 | (I) |
| Balance Adjustment (BA) | (0.0384) | (D) |
| Total Gas Cost Recovery Rate per Mcf | 14.8971 | (D) |

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(I) Indicates Increase. (D) Indicates Decrease.

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D. L. Frutchey
CHIEF REGULATORY OFFICER, EQUITABLE DISTRIBUTION